

**No. 600.0028.19.06.01**

**ENERGY REGULATORY COMMISSION OF THE REPUBLIC OF ARMENIA**

**RESOLUTION N 28**

**Dated 19 June, 2001, Yerevan**

**ON APPROVING MODEL CONTRACT OF ELECTRICITY SALE/PURCHASE  
(BETWEEN DISTRIBUTOR AND WHOLESALE BUYER /VENDOR-) CONTRACT**

Based on the items g) and h) of the Article 17 of the RoA “Energy Law”, the ERC of the RoA hereby **resolves**:

1. To approve model contract (is attached) of electricity sale/purchase contract (between Distributor and wholesale Buyer/Vendor).
2. To cancel the model contract of electricity sale/purchase contract (between Distributor and wholesale Buyer/Vendor) approved by the Resolution N 37 of the Energy Regulatory Commission (hereinafter ERC) of the RoA, dated 28 December 1999.
3. To assign “Armenergo” CJSC and Electric Distribution Companies (hereinafter EDC) to re-sign the contracts within 15 days to correspond them with the model contract approved by this Resolution.
4. This Resolution becomes effective from the moment of its publication.

**Deputy Chairman of the ERC**

**N. Grigoryan**

## **CONTRACT-----**

### **ELECTRICITY SALE/PURCHASE** (between Distributor and wholesale Buyer/Vendor)

“ \_\_\_\_\_ ” \_\_\_\_\_ 2000                      City \_\_\_\_\_

\_\_\_\_\_  
(Name of the Vendor Company)

Hereinafter the Vendor, in care of \_\_\_\_\_

\_\_\_\_\_  
(Title, first name, second name)

Being guided by the Charter of the Company, activity license, RoA Legislation and other legal acts,  
on the one hand,  
and \_\_\_\_\_

\_\_\_\_\_  
(Name of the Company)

Hereinafter the Buyer, in care of \_\_\_\_\_

\_\_\_\_\_  
(Title, first name, second name)

Being guided by the Charter of the Company, activity license, RoA Legislation and other legal acts,  
on the other hand, hereinafter are defined as Parties, signed this contract on the following:

#### **1. Concepts used in the Contract**

**Power Sector Operator  
(Operator)**

Service within the Vendor's operation, which conducts the  
dispatching of the Power sector in the defined way.

**Operator of the Distribution  
Network of the Buyer  
(Distribution operator)**

Service within the Buyer's operation, which conducts the  
dispatching of the distribution of electric system.

**Availability**

The state of operation of electricity transmission networks  
(blocks, lines, substations) for the purpose of transmission of  
electricity amount stated in the contract to the Buyer in each

transmission point within the limits of maximum capacity stated in the contract.

<b>Delivery point</b>	Separation point where the electricity of the Vendor is transmitted to the facilities of the Buyer via the transmission facilities and/or facilities of generator Companies.
<b>Electricity tariff</b>	Tariff for 1kWh electricity delivered by the Vendor stated in this Contract.
<b>Operator's log</b>	The log where the Operator's orders are recorded in the defined way by the Vendor.
<b>Operator's orders</b>	Orders to the Buyer by the Vendor regarding the electric distribution scheme and its dispatch parameters.

## **2. Subject of the Contract**

- 2.1 The Vendor sells and the Buyer purchases the electric power in procedures specified in this Contract.
- 2.2 Commercial relationships of the Parties shall be regulated by the RoA "Energy Law", other legal acts and by this Contract.

## **3. Tariff for Electricity**

- 3.1 Tariff for electricity of the Vendor is established by the RoA Energy Regulatory Commission (hereinafter the Commission).
- 3.2 In the event that it is defined by the RoA Legislation, electricity can be sold in lower tariff than it is established by the Commission. In such cases the Parties establish new Contract tariff (Appendix N1), which becomes effective after its registration by the Commission.
- 3.3 In the event that the ERC of the RoA changes the tariff for electricity, the new tariff for electricity shall become effective upon the date defined by the ERC. Appendix 1 of the Contract is being changed accordingly.

## **4. Obligations of the Parties**

- 4.1 The obligations of the Vendor shall be the following:
  - 4.1.1 Provide delivery of electricity to the Buyer in accordance with the electricity amounts defined in Appendix N2 of the Contract and with the capacity defined in Appendix N3.

- 4.1.2 Provide availability and reliability indicators of those facilities of the Transmitter or Generator, which deliver electricity to the Buyer.
- 4.1.3 Ensure that the quality of electricity meet the Contract requirements of quality at the point of balance sheet ownership separation of Transmitter (Generator) and Buyer, including frequency deviation within the points determined by the state standards (GOST 13109-97).
- 4.1.4 Undertake necessary arrangements for the elimination of the electricity quality violation.
- 4.1.5 No later than 48 hours in advance, inform the Buyer about the deadlines of renovation works carried out on the Transmitter's (Generator's) installations, in order to acquire the Buyer's consent in the event that it is necessary to de-energize the Buyer's networks (or part of it) or carry out load restriction
- 4.1.6 Immediately notify the Buyer on emergency energy and capacity restrictions and their duration occurring in the result of emergency measures undertaken to eliminate (prevent) energy sector failures.
- 4.1.7 Inform the Buyer immediately about the electricity delivery restrictions and/or termination of the consumers, including feeders from transmission and/or implant networks.
- 4.1.8 Provide technical service and maintenance of commercial meters installed in Transmitter's (Generator's) electric installation mentioned in Appendix N3.
- 4.1.9 Provide access of the authorized representative of the Buyer to the Transmitter's (Generator's) premises in the procedures defined by the Parties and coordinated with the Transmitter (Generator) for meter reading and implementing the necessary inspections according to the defined procedures.
- 4.1.10 Immediately inform the Buyer about the failures of commercial meters installed in the Transmitter's (Generator's) electric installations and to undertake measures for the elimination of such failures within 24 hours. The electricity amount not recorded by the meters during the mentioned period is calculated by readings of control meters, and in case of the latter's failure or absence, the calculation is based on the daily average cost of the given month.
- 4.1.11 Each year, before 10 December, refer the coordinated statement of electricity consumption for the coming year and agreed upon mode schedule statement to the Buyer

2. The obligations of the Buyer shall be the following:

- 4.2.1 Buy the Vendor's delivered electricity according to the contractual amounts mentioned in Appendix N2 of this Contract not exceeding the maximum capacity mentioned in Appendix N3, taking into account the changes performed in the order defined by the 4.2.3 item of this Contract and to pay in the order defined by this Contract.
- 4.2.2 Each year, before 1 October, forward for the Vendor's consent the request regarding the electricity amounts of the coming year and the maximum capacity of transmission, which technically can be permitted according to Appendix N2 and N3.
- 4.2.3 Before the 20<sup>th</sup> day of each month, forward for the Vendor's consent the request regarding the changes of electricity amounts of the coming year and contractual maximum capacity of electricity in case of planning to change contractual electricity amounts and contractual maximum capacities.
- 4.2.4 Primary agree with the operator in case of necessity of change of electric loads of electricity lines, which deliver electricity to the Distribution Networks.

## **5. Quantity Measurement**

- 5.1 The electricity amount subject to payment is considered to be the delivered electricity to the Buyer at the delivery points. The delivery points of the electricity, data of the installed commercial meters as well as technically permitted maximum capacity of transmission shall be represented in Appendix N3.
- 5.2 Authorized representatives of the Parties shall jointly record the readings of commercial meters in order to carry out metering of monthly consumption, on the last day of the accounting month at 11:00 hours a.m. A corresponding bilateral Act (document) shall be drafted in this regard (Appendix 5).

Upon the demand of one of either Party interim recording of the meter readings may also take place.

In the event of the absence of the Buyer's authorized representative, the recording of meter readings shall be unilateral.

- 5.3 During the month, the Buyer and the Vendor shall jointly sign electricity sale/purchase act (Appendix N5) on the electricity delivered to the Buyer, which after the confirmation of the Parties becomes the base for the payment.
- 5.4 Upon the requirement of any Parties, accuracy test of the commercial meters operation is conducted by the procedures defined in Item 9.1 of this Contract: in case of necessity, recovery of normal process of operation and/or substitution is conducted. In case of need, the Buyer can conduct other reasonable methods to control commercial meters in his own resources.

- 5.5 In minimum load modes, when the operation of the metering devices becomes technically infeasible, the coordinated values of the electricity metering data used by the Buyer in the above modes shall be determined by the Parties and appended to this Contract.
- 5.6 In case of installing the commercial meters outside the separation point of balance sheet ownership between the Transmitter (Generator) and the Buyer, the actual delivery of electricity shall be defined by adding (or subtracting) the quantity of the losses, occurred between the installation point of the meters and the separation point of balance sheet ownership between the Transmitter (Generator) and the Buyer, to (from) the quantity, metered by the commercial meters. This calculation shall be conducted with the coordination of the Vendor and the Buyer by the defined procedure.

## **6 Payment Procedures**

- 6.1 The cost of the delivered electricity is determined based on the electricity tariff (Appendix N1) and actual delivered electricity (Appendix N5). The amount of monthly payment is calculated and stated by bilateral statement.
- 6.2 Based on the statement of Appendix N5, the Vendor shall form and represent a payment note to the Buyer, where the payment amount is mentioned by 5<sup>th</sup> day of the coming month.
- 6.3 The buyer is obliged to transfer the payment amount to the Vendor's bank account within 20 days after receipt of the note. In case of non-payment within the specified time, the Vendor can send a note, make a telephone call, fax, electronic mail by reminding about the payment delay. In case of non-payment after warning by the Vendor, the *Vendor pays penalty*<sup>1</sup> to the Buyer in the \_\_\_\_\_ % (but not more than 0.1%) of the non-payment amount for each postponed day.  
The calculated penalty can not exceed 10% of the total payment amount in the settlement month.
- 6.4 The planned penalties can not be applied or can be forgiven by the defined procedure under the RoA Legislation or upon the Parties agreement.

## **7. Responsibilities of the Parties**

- 7.1 In case of non-compliance or inadequate compliance with their contractual obligations, the loss of one of the Parties is indemnified by the other Party by the procedure defined in this Contract and by the RoA Legislation.

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<sup>1</sup> The italicized expression will be corrected by the Resolution N35. The footnote is mine. (Margaret M.).

## **8. Force Majeure Events**

- 8.1 The Parties shall not be responsible for any failure in complying with their obligations under this Contract, if such failure is affected by emergencies and unpredictable events and circumstances which arose irrespective of the will of the Parties, including (but without restriction of) natural disasters, acts of Gods, such as floods, earthquakes, storms, hurricanes as well as sabotage, terrorism, wars, rebellions, public riots, strikes which are obstacle for the Parties operation or cause termination or prolongation of the obligations' performance undertaken by the Parties as opposed to their efforts to escape, to cool or eliminate the influence of those events.
- 8.1.1 The Parties shall inform each other of the above circumstances within 24 hours, stressing the possible duration of liquidation of such event.

## **9 Additional Provisions**

- 9.1 The Parties shall test and seal the control and commercial metering equipment and their connection circuits in defined procedures. The representatives of the Parties shall participate in the testing, repair and calibration of the above devices that are formed by the corresponding bilateral statement (one for each Party).
- 9.2 The operation and maintenance of the commercial and control meters shall be carried out by the Vendor or the Buyer or their authorized representatives, depending on balance sheet ownership
- 9.3 The control and recording of electricity quality parameters shall be carried out in the following way:
- a) Frequency shall be controlled by means of the frequency measurement devices installed at the operator;
  - b) Voltage shall be controlled by means of the metering equipment installed at the selling points (the list of the selling points is mentioned in Appendix N4).
- 9.4 The transpiration and termination emergency situations is confirmed by the operator by notifying the distributor operator about that.
- 9.5 The Buyer must provide that the rate of average daily capacity at the delivery points of electricity should be not less than \_\_\_\_\_, while at night hours not less than \_\_\_\_\_.

## **10 Settlement of Disputes**

- 10.1 Whenever possible, the disputes concerning this Contract shall be resolved by negotiations between the Parties or, if necessary, the RoA ERC mediation in established procedures. This provision does not restrict the Parties right to resolve the dispute by litigation.

## **11. Effective Date of the Contract**

- 11.1 This Contract shall become effective from the moment of its registration by the Commission and is effective up to \_\_\_\_\_ 2000.
- 11.2 The Contract can be reviewed upon the mutual consent or by the cases defined by the Law. The reviewed Contract shall become effective from the moment of its registration by the Commission.
- 11.3 The Contract shall be drafted in three identical copies for each Party and one for the Commission.

## **12. Other Provisions**

(Are formed by the Parties)

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## **13. List of Appendices, the Integral Parts of this Contract**

- |              |   |
|--------------|---|
| Appendix N1- | Agreement on the electricity contractual tariff.  |
| Appendix N2- | Agreement on contractual monthly delivery (purchase) amounts of electricity.                        |
| Appendix N3- | Agreement on electricity delivery points, commercial meters and on maximum transmission capacities. |
| Appendix N4- | Statement on voltage at electricity delivery points.  |

## **14. List of the Monthly Model Documents**



**15. Legal Addresses of the Parties and Account Numbers****Buyer**

Address \_\_\_\_\_

S/n \_\_\_\_\_

\_\_\_\_\_

Tel:

Teletype:

Fax:

Activity license N

Manager

\_\_\_\_\_  
(signature, first name, second name)**SEAL****Vendor**

Address \_\_\_\_\_

S/n \_\_\_\_\_

\_\_\_\_\_

Tel:

Teletype:

Fax:

Activity license N

Manager

\_\_\_\_\_  
(signature, first name, second name)**SEAL****RoA Energy Regulatory Commission**

Registered “\_\_\_\_” \_\_\_\_\_2000

Registration number \_\_\_\_\_

**SEAL**Responsible person \_\_\_\_\_  
(signature, first name, second name)

## AGREEMENT

### On the Electricity Contractual Tariff

1. By this Agreement the Buyer and the Vendor in mutual agreement define electricity contractual tariff to be \_\_\_\_\_ AMD/kWh.
2. The effective tariff defined for the Vendor by the RoA ERC is \_\_\_\_\_AMD/kWh.
3. Electricity contractual tariff becomes effective from “\_\_\_\_\_” \_\_\_\_\_2000 and is effective up to “\_\_\_\_\_” \_\_\_\_\_2000.

#### Vendor

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL

#### Buyer

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL

Coordinated with  
RoA ERC

Responsible person \_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL

## AGREEMENT

### On Contractual Monthly Delivery (Purchase) Amounts of Electricity

Buyer \_\_\_\_\_

Vendor \_\_\_\_\_

Period	Electricity amount (thousand kWh)	Period	Electricity amount in per unit (thousand kWh)
January		July	
February		August	
March		September	
<i>Total - first quarter</i>		<i>Total – third quarter</i>	
April		October	
May		November	
June		December	
<i>Total-second quarter</i>		<i>Total - fourth quarter</i>	
<b>Total- annual</b>			

**Vendor**

**Buyer**

\_\_\_\_\_  
(title, first name, second name, signature)

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_”\_\_\_\_\_2000

“\_\_\_\_\_”\_\_\_\_\_2000

SEAL

SEAL



**AGREEMENT**  
**On Electricity Delivery Points, Commercial Meters and Maximum Transmission Capacities**

**Buyer** \_\_\_\_\_ **Vendor** \_\_\_\_\_

N	Electricity Delivery Points				Commercial (Control) Meter Data					Electricity Delivery Data				
	Substation Section N Cell N	Dispatch name of the direction	Owner of the delivery installation	Owner of the receipt installation	Ratio of the potential transformer	Ratio of the current transformer	Meter ratio (6x7)	Meter Type	Date of the last calibration	Maximum permissible capacity (kW)	Work medium capacity (kW)	Minimum permissible capacity (kW)	Average amount of annual delivered electricity	Note
1	2	3	4	5	6	7	8	9	10	11	12	12	14	15

**Note 1.** In column 11 is mentioned the permissible maximum capacity which can be connected by the Buyer according to the technical parameters.  
**Note 2.** Capacities mentioned in the 12 and 13 columns have forecasting nature.

**Vendor**

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_”\_\_\_\_\_2000

SEAL

**Buyer**

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_”\_\_\_\_\_2000

SEAL

## STATEMENT

### Statement on Voltage at Electricity Delivery points

**Buyer** \_\_\_\_\_

**Vendor** \_\_\_\_\_

N	Feeding substation, section	Voltage of the feeding bars	Permissible deviations (kV) from the norm of the voltage		Note
			I and IV qt.	II and III qt.	

**Vendor**

**Buyer**

\_\_\_\_\_  
(title, first name, second name, signature)

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_”\_\_\_\_2000

“\_\_\_\_”\_\_\_\_2000

SEAL

SEAL



## STATEMENT

on monthly delivered (receipt) electricity amount.

**Buyer** \_\_\_\_\_

**Vendor**

Settlement period “\_\_\_\_\_” \_\_\_\_\_ 2000 up to “\_\_\_\_\_” \_\_\_\_\_ 2000

## 1. Data of Metering Devices

N	Delivery substation cell N	Dispatch name of the direction	Commercial (Control) Meter Data				
			Previous meter indicator	Last meter indicator	Indicator difference)	Meter ratio	Amount of the delivered electricity (thousand kW/h)
1	2	3	4	5	6	7	8
	Total						

**Note 1.** In case of direct electricity delivery from the Generator to the Buyer the statement is signed also by the person authorized by the Generator.

**Note 2.** This Statement can also be formed for separate feeding substations or for their groups.

4. Electricity amount for settlement month formed by the statements on meter violations is                    thousand kWh.

5. Total delivered (received) electricity amount for settlement month is \_\_\_\_\_

(in figures)

( ) kWh.

(in words)



**Vendor**

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL

**Buyer**

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL

**Generation Plant**

\_\_\_\_\_  
(title, first name, second name, signature)

“\_\_\_\_\_” \_\_\_\_\_2000

SEAL